

# Governor Fallin Announces Extension of Insure Oklahoma

## *Major Victory for State Saves Thousands of Oklahomans from Losing Health Insurance*

OKLAHOMA CITY – In a major victory for Oklahomans, Governor Mary Fallin today announced the state of Oklahoma has negotiated a one-year extension for the Insure Oklahoma program. The program provides health insurance for nearly 30,000 working, low-income Oklahomans. It is funded by the state's tobacco tax matched with federal dollars. Earlier this year, the federal government announced it would not continue its support of Insure Oklahoma and the state should expect the program to expire at the beginning of 2014.

After the announcement that Insure Oklahoma would expire, Fallin directly contacted both President Obama and Secretary of Health and Human Services Kathleen Sebelius to underscore the importance of the program to the state. Officials with the Oklahoma Health Care Authority, at the governor's direction, also spent months in negotiations with their federal counterparts. These negotiations have been successful, as an extension has now been agreed to.

"This is a big win for Oklahoma and the tens of thousands of adults and children who currently buy health insurance through Insure Oklahoma," said Fallin. "These Oklahomans and their families can now rest easy knowing that they won't lose their insurance on January 1."

Insure Oklahoma also serves approximately 4,600 small businesses, which rely on it for assistance in providing employer-sponsored insurance. Fallin said the program has proven to be successful and is exactly the kind of state-based health care option the federal government should be supporting.

"Insure Oklahoma has been around since 2005. It's been a success for the thousands of small businesses that have used it to help their employees purchase insurance," said Fallin. "It's been a success for tens of thousands of families of modest means, who would be uninsured without it. It's also been the beneficiary of popular support; the people of Oklahoma even voted on a 2004 ballot initiative to fund it through tobacco taxes."

"It does not make sense to undercut a program that has been working so well and helping so many Oklahomans and small businesses. I am very excited that the Obama Administration has reversed course and agreed to an extension."

"Moving forward, I strongly encourage our federal partners to review Insure Oklahoma's many successes and announce their support for a permanent, ongoing program."

### **Explanation of Insure Oklahoma Services and Future Changes**

The employer-sponsored insurance (ESI) component of Insure Oklahoma is a premium assistance program for the purchase of private market health insurance policies. The Oklahoma Health Care Authority sponsors 60 percent of the premium, participating employers pay at least 25 percent of the qualified employee's monthly premiums, the employee pays no more than 15 percent of their health premium. The program also assists with premiums for the employee's spouse.

In a win for small business as well as low-income, uninsured employees, the ESI program will remain intact with no changes in 2014.

The individual insurance component of the Insure Oklahoma is called the Individual Plan (IP). IP helps self-employed individuals, unemployed individuals seeking work or employees working for small businesses that do not have access to group coverage. Effective January 1, IP qualification will be reduced from 200 percent of the Federal Poverty Level (FPL) to 100 percent of the FPL. Because of those changes, roughly 8,000 IP members will be released from Insure Oklahoma and will qualify for coverage through the federal Health Insurance Marketplace. Insure Oklahoma IP will also see some co-pay changes to meet certain federal requirements.

The Oklahoma Health Care Authority, which administers Insure Oklahoma, will be communicating very soon with participating businesses and employees to announce the extension. The agency will also take emergency rules to their board in October in order to implement these changes.

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